



JUST THE FACTS



API Study on Oil and Natural Gas in Pennsylvania: Generating 9.7 Percent of State's GDP & 6.1 of Total Employment

The American Petroleum Institute (API) released a study in July analyzing the economic contributions made by natural gas and oil production across the United States in 2019, utilizing independent data from the U.S. Departments of Labor (Bureau of Labor Statistics) and Commerce (Bureau of Economic Analysis), the U.S. Census Bureau and Federal Reserve Board. The study, conducted by PriceWaterhouseCoopers, highlights the industry's importance to the economies of both Pennsylvania and the nation, especially as both emerge from impacts of the COVID pandemic.

The facts about jobs and positive economic contributions need to be shared:

As economic activity, travel and consumption continue to grow during the post-pandemic recovery, the U.S. Energy Information Administration expects global oil and liquid fuels consumption to surpass 2019 levels in 2022. The report reinforces how the natural gas and oil industry—in Pennsylvania in particular—is critical to economic revitalization and opportunities for job creation.

According to the findings, in 2019 Pennsylvania's natural gas and oil industry:

- Supported 480,300 total jobs (102,500 direct and 377,800 indirect), or 6.1 percent of the state's total employment.
- Generated an additional 3.7 jobs elsewhere in the Commonwealth's economy for each direct job in the state's natural gas and oil industry.
- Provided \$40.5 billion in labor income (\$14.5 billion direct and \$25.9 billion indirect) to Pennsylvania, or 7.9 percent of the state's total.
- Contributed \$78.4 billion to Pennsylvania's gross domestic product (\$39.4 billion direct and \$38.9 billion indirect), or 9.7 percent of the state's total.

At the national level in 2019, the natural gas and oil industry:

- Supported more than 11.3 million total jobs (2.5 million direct and 8.8 million indirect), or 5.6 percent of total U.S. employment.
- Generated an additional 3.5 jobs elsewhere in the U.S. economy for each direct job in the U.S. natural gas and oil industry.
- Produced \$892.7 billion in labor income (\$318.6 billion direct, \$574.1 billion indirect), or 6.8 percent of the U.S. national labor income.
- Supported nearly \$1.7 trillion to U.S. gross domestic product (\$763.3 billion direct, \$925.3 billion indirect), accounting for 7.9 percent of the national total.

The Facts are Clear:

In Pennsylvania: API's most recent analysis found the natural gas and oil industry supported nearly 500,000 total jobs across the state's economy in 2019. Pennsylvania also ranked among the highest states for the share of total economic contributions by the natural gas and oil industry, generating \$78.4 billion toward the state's gross domestic product - including \$40.5 billion added to total labor income.

Regardless of the minor differences in the criteria used to develop economic studies, the conclusions reflect the important role natural gas and oil play in contributing to the U.S. economy. For example:

- A 2018 study by the National Bureau of Economic Research found the industry was responsible for 8 percent of U.S. gross domestic product.
- A similar study by the Federal Reserve Bank of Dallas put that amount to be closer to 10 percent of GDP in 2019.
- The U.S. Department of Energy estimated in 2020 that the industry was responsible for 12.3 million jobs across the country.



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